

# Endowment Fund Investment Board

**STARS Number & Budget Unit:** 322 LABA, 322 LABB(Cont)

**Bill Number & Chapter:** H462 (Ch.377), S1146 (Ch.173)

**PROGRAM DESCRIPTION:** Through active management of the endowment funds and the State Insurance Fund, the Endowment Fund Investment Board provides growth of principal to the funds and increased income to the funds' beneficiaries.

<b>DIVISION SUMMARY:</b>	<b>FY 2002 Total Appr</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Total Appr</b>	<b>FY 2004 Request</b>	<b>FY 2004 Gov Rec</b>	<b>FY 2004 Approp</b>
<b>BY FUND SOURCE</b>						
Dedicated	604,500	565,900	587,600	666,800	630,300	630,300
Percent Change:		(6.4%)	3.8%	13.5%	7.3%	7.3%
<b>BY EXPENDITURE CLASSIFICATION</b>						
Personnel Costs	403,400	372,900	390,000	440,700	408,800	408,800
Operating Expenditures	192,100	184,000	193,100	220,300	215,700	215,700
Capital Outlay	9,000	9,000	4,500	5,800	5,800	5,800
Total:	604,500	565,900	587,600	666,800	630,300	630,300
Full-Time Positions (FTP)	5.50	5.50	5.00	5.00	5.00	5.00

In accordance with Section 67-3519, Idaho Code, this division is authorized no more than 5 full-time equivalent positions at any point during the period July 1, 2003 through June 30, 2004 for the programs specified.

<b>DECISION UNIT SUMMARY:</b>	<b>FTP</b>	<b>General</b>	<b>Dedicated</b>	<b>Federal</b>	<b>Total</b>
<b>FY 2003 Original Appropriation</b>	<b>5.00</b>	<b>0</b>	<b>587,600</b>	<b>0</b>	<b>587,600</b>
Removal of One-Time Expenditures	0.00	0	(4,500)	0	(4,500)
<b>FY 2004 Base</b>	<b>5.00</b>	<b>0</b>	<b>583,100</b>	<b>0</b>	<b>583,100</b>
Personnel Cost Rollups	0.00	0	4,800	0	4,800
Replacement Items	0.00	0	5,800	0	5,800
Nonstandard Adjustments	0.00	0	17,600	0	17,600
Fund Shifts	0.00	0	0	0	0
<b>FY 2004 Maintenance (MCO)</b>	<b>5.00</b>	<b>0</b>	<b>611,300</b>	<b>0</b>	<b>611,300</b>
2. Upgrade Manager Position	0.00	0	14,000	0	14,000
3. Travel Costs	0.00	0	5,000	0	5,000
<b>FY 2004 Total Appropriation</b>	<b>5.00</b>	<b>0</b>	<b>630,300</b>	<b>0</b>	<b>630,300</b>
Change From FY 2003 Original Approp.	0.00	0	42,700	0	42,700
% Change From FY 2003 Original Approp.	0.0%		7.3%		7.3%

**APPROPRIATION HIGHLIGHTS:** H462 funded personnel cost rollups for this and other selected agencies. No inflationary increases were funded. No funding for Change in Employee Compensation (CEC) was provided, but compensation increases may be funded with agency salary savings wherever possible. Nonstandard adjustments reflect \$11,500 to pay increased audit costs and changes in Attorney General, Controller, risk management, and Treasurer fees. There are no General Funds in this budget. It is funded 76% by endowment administrative funds and 24% by state insurance funds. Spending authority was provided to replace two computers and four computer monitors. The budget also includes \$14,000 to pay the added costs of a new investment manager and \$5,000 to provide for additional travel for that position. The appropriation bill also authorizes a continuous appropriation for consulting fees, bank custodial fees, and portfolio-related external costs.

**LEGISLATIVE INTENT:** S1146 includes legislative intent listing the amounts the Land Board will transfer to the Endowment Income Funds for fiscal year 2004. This amounts to \$37,750,000 for Public Schools and \$17,355,000 for the pooled beneficiaries. The total distribution is a 12.9% reduction from the FY 2003 budgeted distribution.

<b>FY 2004 APPROPRIATION:</b>	<b>FTP</b>	<b>Pers. Cost</b>	<b>Oper Exp</b>	<b>Cap Out</b>	<b>T/B Pymnts</b>	<b>Lump Sum</b>	<b>Total</b>
D 0349-00 Miscellaneous Rev	2.00	108,800	44,100	0	0	0	152,900
OT D 0349-00 Miscellaneous Rev	0.00	0	0	1,500	0	0	1,500
D 0482-70 Endowment Admin.	3.00	300,000	171,600	0	0	0	471,600
OT D 0482-70 Endowment Admin.	0.00	0	0	4,300	0	0	4,300
Totals:	5.00	408,800	215,700	5,800	0	0	630,300